

# **Minutes of the Canadian Alternative Reference Rate Working Group**

Virtual, 30 August 2021, 11:30 a.m. to 1:30 p.m.

## **1. Introduction**

Members were welcomed to the call.

## **2. International update**

Members discussed the US ARRC's formal [recommendation](#) of CME's term SOFR and the implications for LIBOR transition, as well as the US House Financial Services Committee's [passage](#) of the Adjustable Interest Rate (LIBOR) Act of 2021, which—if passed by the House, Senate and passed into law—would establish a process for certain financial contracts that reference LIBOR and do not contain sufficient language that would allow them to function as originally intended after LIBOR is discontinued, to instead use SOFR or an appropriately-adjusted form of SOFR without the need to be amended or subject to litigation.

Members noted ESMA's [consultation](#) on the review of regulatory standards related to derivatives clearing and trading obligations, which closes on 2 September 2021.

Members discussed the HKMA's recent [letter](#) to the CEOs of authorised institutions in Hong Kong, advising them of the need to transition away from LIBOR.

CARR's co-chairs noted recent discussions with the leads of other national working groups on benchmark reform.

## **3. Transition Subgroup**

Transition subgroup members discussed the near-final CORRA FRN fallback language and CORRA FRN conventions, which CARR members were asked to review ahead of their potential publication in September or October.

## **4. Credit Sensitive Subgroup**

The CDOR/BA Size and Scope workstream members discussed some remaining data issues related to their survey on the size and scope of CDOR and BAs. The CDOR Submission workstream provided an overview of its preliminary findings on CDOR submission frameworks and practices. The workstream focused on the BA market summarized the feedback and discussions it had received in its three workshops with bank treasuries, borrowers and investors to discuss the use of CDOR/BAs. CARR members discussed the next steps for the subgroup's work, including the process for amalgamating the inputs from the three workstreams, including the potential timelines for drafting of a paper for eventual publication.

The CORRA Loan Conventions workstream highlighted key points it had received from its targeted survey on CORRA loan conventions.

New co-leads for the Accounting, Tax and Regulation workstream were announced (Lisa Mantello of Osler, Hoskin and Harcourt and Wilfred Au of TD).

## **5. Other items**

The next CARR meeting will take place virtually on 27 September 2021.

## **List of attendees**

### **Market representatives**

Sandra Lau, AIMCO  
John McArthur, Bank of America  
Philip Lunn, BMO  
Carol McDonald, BMO  
Mario Pereira, BMO  
Brent Clode, Central1  
Karl Wildi, Canadian Imperial Bank of Commerce  
Tim Mills, Canadian Imperial Bank of Commerce  
Glenn Taitz, Invesco  
Dave Duggan, National Bank of Canada  
Jean-Sébastien Gagné, National Bank Financial  
Lisa Mantello, Osler, Hoskin and Harcourt  
Audrey Gaspar, OTPP  
Renaud de Jaham, PSP  
Guillaume Pichard, Quebec Ministry of Finance  
Jim Byrd, RBC Capital Markets  
Rich van Nest, RBC Capital Markets  
Greg Moore, TD Bank

### **Observers**

Joshua Chad, McMillan LLP  
Adam Schneider, Oliver Wyman  
Robert Catani, TMX

### **Bank of Canada**

Harri Vikstedt  
Wendy Chan  
Kaetlynd McRae  
Thomas Thorn  
Andriy Stolyarov